



RETURN

(97.)

To an ADDRESS of the HOUSE OF COMMONS, dated 27th March, 1878 ;—For copy of all correspondence between the Hudson Bay Company and the Dominion Government, relative to alleged losses at the Red River Settlement, connected with the insurrection in 1869-'70.

By Command.

R. W. SCOTT,
Secretary of State.

DEPARTMENT OF THE SECRETARY OF STATE,
15th April, 1878.

HUDSON BAY HOUSE,
LONDON, June 19th 1877.

DEAR SIR,—A considerable time has elapsed since I last addressed you on several questions which are still pending between the Dominion Government and the Hudson Bay Company. I had the honor to write to you in October last, but I received no reply. You are aware that our Committee has certainly not been wanting in patience or consideration, with respect to the negotiations which have been carried on for the settlement of differences, and must once more recall the fact that in the whole course of the arrangements which we mutually endeavoured to make for the sale of our lands to the Government, we have studiously abstained from any action that might have embarrassed your Ministry, notwithstanding the agreement at which we had arrived. I am now bound to express the feeling of the Committee that the Dominion Government may fairly be expected to show equal consideration to the Company. The time has arrived, in our judgment, when we should press for an answer to my letter of the 30th of October, and when we must again recur to the question of the Red River claims. You are aware of the motive which led us to suspend pressing these claims for some time past. We fell in with your views as to the mode in which these claims should be dealt with, when the negotiations for the sale of the land were proceeding, but it would not be right for us to allow these claims to be jeopardized by any further delay in again pressing them on the attention of the Government.

The last written official communication on the subject took place in November, 1874, and beyond a formal acknowledgement, I am still without any answer to my letter of the 20th October of that year, addressed to the Secretary of State.

I now beg to bring these matters very earnestly before the attention of the Dominion Government. It cannot be the desire of that Government to show any want of consideration to the Hudson Bay Company, or in any way to allow the circumstances, which have induced the Committee to show so much patience in awaiting the answers to the several claims they have made, to prejudice their case.

I venture also to point out that the adverse commercial circumstances which have so seriously affected the prosperity of the Company during the last year form an additional reason for the prompt settlement of the questions in which the Company is so vitally interested.

I abstain from urging on the present occasion the various arguments on which the Company found their claims. The object of this letter is to revive their discussion, and to explain to the Government that in the judgment of the Committee, that discussion cannot be equitably postponed any longer.

I have to add that when I allude to outstanding differences, I wish to be understood to include the question of the right of the Company, under the Dominion Lands Act, to make selections of land in any townships in lieu of their own lots, when found to be settled upon; a matter which has for so long a time been discussed between the Government and Mr. Donald A. Smith. We have been informed of the various suggestions which have been made, but the Committee regret that no effect has yet been given to the representations made by Mr. Smith.

I have the honor to be, Sir,
Your most obedient servant,

(Signed) GEORGE B. GOSCHEN.

The Honorable A. MACKENZIE, M.P.,
Prime Minister of Canada.

EXTRACT of a Report of a Committee of the Honorable the Privy Council, approved by His Honor the Deputy of His Excellency the Governor General in Council, on the 7th August, 1877.

The Committee of the Privy Council have had under consideration the memorandum hereunto annexed, from the Honorable the Minister of the Interior, in reference to the various questions pending between the Hudson Bay Company and the Government of Canada, and they respectfully submit their concurrence therein.

Certified.

(Signed) W. A. HIMSWORTH,
Clerk, Privy Council.

(Memorandum.)

DEPARTMENT OF THE INTERIOR,
OTTAWA, 30th July, 1877.

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With reference to the claims of the Hudson Bay Company to compensation for losses sustained by them in consequence of the Half-breed rebellion in Manitoba, before that country was transferred to the Government of Canada, and while it was still in possession of the Company, the undersigned is of opinion that the Government of Canada is neither legally nor morally called upon to compensate the Company for losses at that time sustained.

The position of the Hudson Bay Company in the North-West was not at all that of an ordinary private proprietor. They were a great public corporation, possessed of a franchise which was not enjoyed by ordinary proprietors. They were endowed with the attributes of Government and powers of legislation, and were authorized to take steps, not only for the protection of their own property, but for the protection of the property of others; and the undersigned cannot see upon what principle,

while the country remained in their possession, and they were themselves the judges of what was necessary for the maintenance of public order and good government in the North-West, they can look to any other party for compensation.

The Company surrendered their rights of government to the Crown of Great Britain on the 19th of November, 1869, and from that period until the country was formally transferred to Canada, the Government of Great Britain, and not that of Canada, controlled its affairs. The undersigned has no means of knowing what information the Company gave to the Imperial Government with regard to the state of affairs in the North-West at that time; whether or not they advised the Imperial Government so that they might take care to secure adequate protection to life and property until the country could be handed over to Canada.

The undersigned is, therefore, of opinion that if the Company have any claim for compensation from any party, it is against the Government of Great Britain, and not against the Government of Canada.

When the Government of Canada agreed to purchase the rights of the Hudson Bay Company in the North-West, they expected to obtain peaceable possession of the country, and it was not then contemplated that it would be necessary to send a military expedition, at a very great cost to the Government of Canada, to acquire possession of the territory. On the contrary, they expected to have the transfer made peaceably, for the sum they agreed to pay the Company.

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(Signed)

DAVID MILLS,

Minister of the Interior.

Copy of a Report of a Committee of the Honorable the Privy Council, approved by His Excellency the Governor General in Council, on the 1st July, 1870.

On a despatch No. 129, dated 26th May, 1870, from the Right Honorable the Secretary of State for the Colonies, transmitting copies of a correspondence between the Hudson Bay Company and the Colonial Department, as to the liability for the losses sustained by the Hudson Bay Company from the acts of the self-styled Provisional Government of the Red River Territory;—

The Honorable the Finance Minister, to whom the above despatch was referred, reports that he is of opinion that there is no practical question raised by that correspondence which requires any immediate action on the part of the Government of the Dominion;

That in a letter dated 13th of May, the Governor of the Hudson Bay Company transmitted to the Colonial Department an extract from a despatch from Governor McTavish, dated Fort Garry, 6th April, 1870, containing a narration of events which had occurred in the Red River settlement subsequent to his previous despatch of 12th February.

After reporting a series of outrages committed by the insurgents, Mr. McTavish proceeds to acquaint the chairman and directors of the Hudson Bay Company that their position is most critical, and that he cannot advise the Company to send out fresh supplies of merchandize "until some guarantee shall have been obtained from the English or Canadian Government for their protection;"

That in pursuance of the advice given by Governor McTavish, Sir Curtis Lampson, Deputy Chairman of the Hudson Bay Company, enquired whether Her Majesty's Government would enter into an engagement to indemnify the Company against loss or damage in case they should send out the merchandize, which they stated was urgently required. Mr. Holland was instructed by Earl Granville to acquaint Sir Curtis Lampson, that before the arrival of the goods, the country would probably have passed to the Canadian Government, and to suggest to him to apply to that Government for an assurance of indemnity in case of loss. Sir Curtis Lampson, in reply, pointed out the impracticability of entering into any negotiation with the

Canadian Government, under the circumstances, and added that the Hudson Bay Company had determined to despatch their stores as usual.

He further expressed the adherence of the Company to their opinion that the Imperial Government ought to have undertaken the responsibility; and added that in case of damage or loss occurring, they would look for indemnity to Her Majesty's Government, should the Canadian Government decline to take it upon themselves.

Sir Frederic Rogers was instructed to acquaint Sir Curtis Lampson, in reply, that Her Majesty's Government do not accept the liability.

Earl Granville's despatch to your Excellency bears the same date as Sir Frederic Rogers' letter, so that it is not improbable that there may be some further remonstrance on the subject from the Hudson Bay Company.

That it is, however, clear that Her Majesty's Government have determined not to assume any liability for future losses on the part of the Hudson Bay Company.

That, in the present state of affairs in the Red River, he, the Minister of Finance, is of opinion that it would be inexpedient for the Canadian Government to assume the liability demanded by the Hudson Bay Company; but he thinks it highly improbable that the Company will be exposed in the future to the acts of rapine and plunder to which they have been recently subjected.

The Minister of Finance states that he would have been inclined to close his remarks here but for some observations in the letter of Sir Curtis Lampson, dated 13th May, which, in his opinion, ought not to be allowed to pass unnoticed.

Sir Curtis Lampson states in that letter that he deems it "of the utmost importance that Her Majesty's Government should be made acquainted with the results which are arising from the proceedings adopted by the Government of Canada, and which alone have led to the formation of the so-called Provisional Government."

He then proceeds to state that "the Committee abstain from entering at this moment into the general question of the proceedings taken by the Canadian Government, or into the question as to who is to be held responsible for the damages and injuries they will have produced."

The Minister of Finance does not feel called upon to enter into a defence of the Canadian Government against such vague accusations as those which he has cited from the letter of Sir Curtis Lampson; but that, as there can be no doubt that "damage and injuries" have been sustained, not only by the Hudson Bay Company, but by a considerable number of Her Majesty's subjects in the Red River territory, and that claims will be hereafter presented for such damages and injuries, it may be proper to take the present opportunity of disclaiming, on the part of the Government of the Dominion, any responsibility for the acts of the self-styled Provisional Government of the Red River Territory.

The Committee concur in the report of the Honorable the Minister of Finance, and advise accordingly.

Certified.

(Signed)

W. A. HIMSWORTH;
Clerk, Privy Council.

Copy of a Report of a Committee of the Honorable the Privy Council, approved by His Excellency the Governor General in Council, on the 19th April, 1871.

The Committee of the Privy Council have had under their consideration the Earl of Kimberley's despatch to Your Excellency, dated the 23rd February, transmitting the copy of a letter from Sir Curtis Lampson, Deputy Governor of the Hudson Bay Company, to Sir Frederic Rogers, urging the claim of the Company to compensation for the losses sustained by them in the Red River settlement, and requesting that Your Excellency will bring the letter of Sir C. Lampson under the notice of your Government.

The Earl of Kimberley observes that he entertains no doubt that Your Excellency's advisers will give a fair consideration to any reasonable claim on the part of the Company to compensation for their losses, and adds that, apart from the question of justice, the Canadian Government cannot fail to perceive the importance of preserving the good will of a body of men who are scattered over the whole of the territory newly annexed to the Dominion, and who, from their intimate knowledge of the country and connexion with its inhabitants, must retain a special influence over its affairs.

The Committee of the Privy Council readily admit that it is most desirable to cultivate the good will of the Hudson Bay Company, and of its officers and servants in the North-West Territory; and they have on all occasions evinced a desire to comply with all reasonable demands made by that Company.

Before entering on the consideration of Sir Curtis Lampson's letter, the Committee of the Privy Council must observe that apart, from the merits of the Hudson Bay Company's claim, the Government of Canada would have no means of satisfying it without a vote from the Dominion Parliament, and in the present state of public opinion there would not be the most remote probability that such a vote would be concurred in by the Canadian House of Commons.

The Committee of the Privy Council observe that the Hudson Bay Company rely on Lord Granville's despatches of 30th November, 1869, and 26th January, 1870, as evidence that in His Lordship's opinion their claim was well founded. Earl Granville states, "it has never been hinted that the Company is to be bound to hand over its territory in a state of tranquility."

This opinion is at variance with that expressed in the Minute of Council of the 16th December, 1869; but even if correct, it might be contended on the other hand, that when the Government of the Dominion, on the urgent recommendation of Her Majesty's Imperial Government, consented to pay £300,000 sterling to the Company, no idea was entertained that it would be necessary to send a military expedition, at a great cost, to obtain peaceable possession of that territory.

A very general belief prevailed throughout the Dominion that the responsible agents of the Hudson Bay Company failed to make any effort to preserve their authority. Fort Garry, it is contended, could easily have been defended, and an appeal to the loyal inhabitants in the incipient stage of the insurrection would have ensured tranquility.

It may be urged that even though Mr. McDougall acted with precipitation, he was led to do so owing to what he held to be the inertness of the Governor of the Hudson Bay Company.

There is a wide-spread feeling in Canada, both in and out of Parliament, that the Hudson Bay Company are chiefly responsible for the success of the insurgents in the Red River Settlement in 1869-70, and so long as this feeling remains unchanged, it would be useless for the Government of the Dominion to submit to Parliament any claim for compensation on the part of the Company. It must, moreover, be borne in mind that large claims have been made on the part of the loyal inhabitants who were imprisoned and expatriated during the ascendancy of the insurgents.

Although the opinion prevails very extensively in Canada that these losses should be satisfied by the Imperial Government or by the Hudson Bay Company, on the ground that Canada had not then acquired the territory, the Dominion Government has undertaken to pay these losses.

The Committee of the Privy Council are of opinion that under all the circumstances of this case and considering the large share of the cost of the expedition which they were required to bear, they may fairly call on the Imperial Government, which seems to admit the validity of the Hudson Bay Company's claim, to satisfy it. In that case, while far from admitting the justice of the claim for interest from 1st December, 1869 to the date of payment, the Committee of Council would undertake to make good that part of the claim.

Certified.

(Signed)

W. A. HIMSWORTH,

Clerk, Privy Council.

Secretary of State for the Colonies to the Governor General.

Canada, No. 129.

DOWNING STREET, 26th May, 1870.

SIR,—I have the honor to transmit to you, for your information, and for that of your Government, the enclosed copies of a correspondence which has passed between the Hudson Bay Company and this Department, respecting the despatch of stores to the Red River Settlement, and the claim of the Company to indemnity in case of their suffering loss with respect to these stores owing to the disturbances in the settlement.

I have, &c.,

(Signed) GRANVILLE.

Governor General,

The Right Honorable

SIR JOHN YOUNG, Bart.,
G.C.B., G.C.M.G.

Sir C. Lampson to Sir F. Rogers,

HUDSON BAY HOUSE,

LONDON, 13th May, 1870.

SIR,—I am desired by the Committee of this Company to communicate to Her Majesty's Government a despatch which has just been received from Mr. William McTavish, dated Fort Garry, 6th April, as the Committee deem of the utmost importance that Her Majesty's Government should be made acquainted with the results which are arising from the proceedings adopted by the Government of Canada, and which alone have led to the formation of the so-called "Provisional Government."

The Committee abstain from entering at this moment into the general question of the proceedings taken by the Canadian Government, or into the question as to who is to be held responsible for the damage and injuries they will have produced, but they are desirous to call the attention of Her Majesty's Government to one point of a most pressing character, the solution of which may involve the preservation or destruction of a large portion of the population.

Her Majesty's Government are probably aware that up to the present time all the inhabitants of Rupert's Land, as well as the Indian population have been mainly dependent upon the supplies sent out by the Hudson Bay Company for their maintenance and subsistence.

It will be seen from Mr. McTavish's report that considerable inroads have already been made upon the supplies which have remained in the Company's stores, and it will be also seen that Mr. McTavish expresses very strong doubts as to the expediency of this Company, in the present state of the territory, sending out any further supplies.

Should this Company act upon that suggestion, the almost certain result would be that the Indian population will be deprived of the means of obtaining food, and the rest of the population either left in the same predicament, or at all events subjected to great loss, privation and inconvenience in procuring the means of subsistence either from Canada or the United States.

The period is now fast approaching when the Company's supplies should be sent out, and as the question is one of a public nature, the Committee beg to enquire whether Her Majesty's Government will give an engagement to this Company to indemnify them against any loss or damage they may sustain from their stores, upon their arrival at the Company's posts or stations, being interfered with by the agents of the Provisional Government, or by any of the disaffected population. As it is necessary that the Committee should come to a decision on the subject without delay, this Com-

mittee will be glad to receive a communication from Her Majesty's Government at their earliest convenience.

I should mention that the value of the supplies usually sent out at this period of the year is about £80,000.

I have, &c.,

(Signed) C. M. LAMPSON,
Deputy Chairman.

Sir F. ROGERS, Bart.,
Colonial Office.

EXTRACT of a letter from Governor McTavish to V. G. Smith, Secretary of the Hudson Bay Company, dated Fort Garry, Red River, 6th April, 1870.

I beg to forward for your information the following general outline of events which have occurred here since I last addressed you on 12th February.

I then mentioned that on the evening of 10th February a Provisional Government had been formed, of which Mr. Louis Riel was acknowledged President by the Congress of Representatives from the various parts of the settlement.

On the forenoon of 14th February, it became known at Fort Garry that a party of Canadians and others from Portage La Prairie had arrived at Headingly on their way to this place, with the avowed object of liberating the prisoners and overthrowing the French party.

Simultaneously with this movement, a general rising took place in the lower part of the settlement, in the parishes of St. Andrews and St. Clements, from which a multitude of several hundred men came to Frog Plain, where they were joined by the party, of more than one hundred men, from the Portage.

Headingly is about twelve miles from Fort Garry, situated on the Assiniboine. Frog Plain is about five miles from Fort Garry, situated on the Red River. In order to form a junction with the party from the lower settlement, that from the Portage passed within sight of this Fort on the night of the 14th. The moon was bright, and they were expected by the French, who manned the bastions and walls, and fired several shots, apparently as a salute. The Portage party, in passing through the village of Winnipeg, surrounded and searched a house in which Riel sometimes slept, though without finding him.

The party from the lower settlement were led by Dr. Schultz, and on their arrival at Frog Plain they billeted themselves in the Scotch Church at that place. They sent a messenger to Fort Garry demanding the liberation of the prisoners which had been promised by Riel on the formation of the Provisional Government, but had been only partially fulfilled. The French party had collected to the number of about 700 men, and were prepared to defend the Fort. On the evening of the 15th the last of the prisoners were set at liberty.

After remaining in a disorderly crowd at Frog Plain debating the best course for them to pursue, the greater portion of the English party separated for their various homes on the evening of the 16th February.

On the morning of the 17th a number of men belonging to the Portage party passed Fort Garry on their way home from Frog Plain to Portage la Prairie. Riel immediately dispatched a party of Frenchmen to intercept them, which was effected without a shot being fired. The number of prisoners so taken was forty-seven.

They were nominally under command of Captain Boulton, late of the 100th Regiment, a Canadian gentleman, wintering in the settlement, who had connected himself with Colonel Dennis' operations last autumn.

Four of the prisoners were condemned by court martial to be executed, and in consequence of earnest representations Riel pardoned three of them, refusing, however, to interfere in favour of Captain Boulton. Late on the morning of the 18th, a few hours before the time fixed for the execution, Riel consented to respite Boulton

on condition that Mr. Smith, the Canadian Commissioner, should make a tour through the settlement and induce the inhabitants of the disaffected parishes to support the action of their representatives and acknowledge the Provisional Government.

Mr. Smith, accompanied by Archdeacon McLean, visited the various districts referred to, and finally the number of English delegates required to complete the "Legislative Council" were elected and returned.

I regret to say that during the time occupied by the proceedings of the assemblage at Frog Plain, a young Scotchman named John Hugh Sutherland was shot by a Frenchman who had been taken prisoner. Sutherland was in no way connected with the movement. The person who shot him did so in the course of a futile effort to regain his liberty.

I also regret to state that a prisoner named Scott was shot by order of a French court martial on the 4th March. This offence, I believe, was insubordination.

Dr. Schultz, with some difficulty, made good his escape, and has recently been heard of as having reached Superior City *via* Fort Frances and Vermillion Lake. He was escorted by Joseph Monkman, who, it is said, holds a commission from William McDougall, and visits the Indians in that quarter; with what object I have been unable to ascertain.

Appended to the commission, Monkman also carried a general order addressed to the Company's officers, directing the latter to supply him with supplies, for the repayment of which the Canadian Government would be responsible. This order Monkman showed to Chief Trader Taylor, who, having received no advice thereof from the Company's officials, declined to comply with it. The commission which was attached to the order Monkman refused to show, asserting that it was private.

The first meeting of the Legislative Assembly took place on the 8th March. Bishop Taché arrived on the 10th, and was present at the second meeting of the Assembly on the 15th. He suggested that the prisoners should be all liberated. Half their number were at once set free and, the remainder on the 20th March; the reason alleged for their protracted detention being that the popular excitement in the settlement had not yet quieted down.

Judge Black, the Reverend Mr. Ritchot and Mr. Alfred H. Scott, who had been appointed delegates from the people here, left the settlement for Ottawa on and about the 24th March.

Mr. Black had acted as delegate from one of the parishes in the settlement at the Convention, which sat to frame the Bill of Rights and form a temporary Government which would be acceptable to all sections of the colony. This Mr. Black did most reluctantly, and only on account of representations that his presence might be of essential service. The Convention elected Mr. Black as its chairman. When requested to go to Ottawa as a delegate, he refused for a long time, and was, with much difficulty, ultimately prevailed on to go by Bishop Taché. He left on the 24th ultimo with his sister. Captain Bouton returned along with him to Canada.

Chief Factor Smith, accompanied by Chief Trader Hardisty, left this place for Canada on 13th ultimo, and Mr. DeSalaberry followed on the 23rd. The Reverend Mr. Thibault will remain to reside in the settlement.

With regard to the present situation as respects the Company's operations in a commercial point of view, I beg to enclose copy of propositions made to me by Riel, by conceding which the Company would be permitted to resume business. The conditions bear very heavily upon us, but compliance was inevitable.

Fort Garry had been entirely taken from our hands by the French Half-breed party, the leaders of which had, with violence, seized the keys of all the shops, stores and warehouses within its walls, and have for months past been carrying away the Company's property, of all kinds, in vast quantities, without let or hindrance.

As you are aware, a large quantity of valuable furs have remained in store here since last autumn. These, along with everything else, have been seized, and we find ourselves perfectly powerless to repossess ourselves of them without the permission of Riel and his people. Our servants have been expelled from their houses and obliged to live outside the Fort, to provide accommodation for the Half-breeds. Our

officers have been, as a special mark of favor, permitted to retain their houses, with the exception of Dr Cowan, whose entire house has been seized by Riel, and used as "Government House." The outpost of White Horse Plain has been seized in like manner and occupied by a large guard of Half-breeds. The cattle belonging to its farm have been appropriated, and as a sample of the damage perpetrated, I may mention that by latest advices 70 of the best working oxen have been slaughtered and eaten.

The small station at Oak Point on Lake Manitoba was seized and Chief Factor Deschambeault compelled to leave it. Riel, however, has since disclaimed the latter outrage as unauthorized by him, and the post is said to have been restored to the Company by his orders. In a former letter I mentioned that our store at St. Boniface had been sacked by a portion of half-breeds, opposed to Riel. Pembina, Lower Fort Garry and Portage La Prairie, have been visited, from time to time throughout the winter, by armed flying parties, and business of all kinds has been long entirely stopped in this district.

Respecting the outside territory, communication with inland districts has been impeded by the impossibility of our sending packets, without first obtaining passes from Riel to enable the bearers to pass his scouts stationed on all the Reserves. Threats were also held out that parties should at once go west with instructions addressed from the Provisional Government to the half-breed population in Swan River and Saskatchewan districts, directing them to seize the Company's posts in these places, and, after having seized all the provisions and furs in stores, bring them to Red River in the spring.

An armed party was also to have visited Portage la Loche in summer with the object of possessing themselves of the returns of Arthabasca and Mackenzie River districts, and of plundering every fort along the route.

These threats were not vain. In fact, even had the Company's people been able partially to evade the consequences of such steps, the result must have been ruinous in any case, as the interruption to the traffic would have prevented our getting returns to York in time to go home by the ship. Our returns throughout the north would have been seized and appropriated by the French, and forts would have been taken, and our people, cast adrift in the country, would have been compelled to shift for themselves as best they could.

It is now fully three weeks since rumors first reached me that the time had been fixed at which in the event of non-compliance with the terms to be proposed by Riel, the Company's people in Red River district were to be turned out of their forts, and all property whether personal to themselves or belonging to the Company confiscated; since then I have had repeated interviews with Riel, and after much delay the enclosed list of conditions has been completed. I am unable to say whether it will be rejected or not, under all contingencies, by the Half-breeds; but at present I think they mean to abide by their promises, and I feel that my compliance with their demands on behalf of the Company affords our only chance of avoiding immediate, inevitable destruction.

Enclosed is also a letter from Thomas Brown, Secretary of State, which was elicited by a request of Mr. John H. McTavish, the Accountant, that the upper story of the building, the lower part of which contained the Company's public office, should be restored to us, it being the residence of the clerks, some of whom have been compelled to leave the Fort, but will not, I hope, return to resume their duties.

The lower story of the house in question we have been permitted to retain throughout the winter, and have consequently been enabled to preserve our books.

We hope within a few days to be able to recommence business throughout the district, and when the proper time arrives to send perhaps eight boats to Portage La Loche instead of the usual number of fifteen. I shall, as soon as practicable, forward the furs in store here to St. Paul. We hope to be able to carry on our summer trade, but in consequence of the dreadful pillage we have sustained we shall do so in a very crippled condition. Indeed, we shall probably require to import some articles

during the summer of which we have been rendered destitute by the drain of the past winter. These articles may, however, be obtained at St. Paul.

I hope soon to be able to address you finally on a few matters affecting the trade. I have felt unwilling to do so for some time past as the mails are known to have been unsafe. This deficiency has not, I think, been got over. This letter I forward to St. Paul by Mr. Hill of that place, who has been here on a visit for a few days, and returns to-morrow; meanwhile, I may say I consider the position of the Company in this country to be most critical, and I cannot advise the Board to allow any fresh importations of merchandize until some guarantee shall have been obtained from the English or Canadian Governments for our protection. The arrangements just concluded may enable us to export our returns, and pursue the more necessary business of the approaching summer, but beyond that time the prospects are quite impenetrable, and even during its continuance they are very uncertain.

Mr. Malonross, the American Consul, on quitting this place, lately, appointed Mr. Henry M. Robinson, ex-editor of the *New Nation* as Vice-Consul. In handing over the newspaper business to Mr. Thomas Spence, the new editor, some difficulty arose which induced Riel to send for Robinson, who refused to answer his summons; finally, after undergoing an act of violence at the hands of the person sent to apprehend him, Robinson came to the Fort, and after about an hour's detention was suffered to depart. The Vice-Consul now asserts he has reported the matter to this Government in a manner which will secure the presence of American troops at Pembina, for the protection of Americans and their property against more serious outrages in summer.

(Translation.)

OFFICE OF THE PROVISIONAL GOVERNMENT,
FORT GARRY, 28th March, 1870.

SIR,—In view of our interview in relation to the affairs of the Hudson Bay Company in this country, I can assure you that my great desire is to reopen, in the interest of all, a free course to trade.

The people, by rallying to the Provisional Government with unanimity of sentiment, prescribe for both of us our line of conduct.

The Provisional Government, founded upon justice and rational principles, will accomplish its work.

The Hudson Bay Company, as to its commercial interests, may be spared; but that is your business, and depends entirely on the Company itself. I told you that an arrangement was possible, and it is so on the following conditions:—

1st. That the whole Hudson Bay Company in the North-West acknowledge the Provisional Government.

2nd. That you subscribe, in the name of the Hudson Bay Company, a loan to the Provisional Government of the sum of £8,000 sterling.

3rd. That on the demand of the Provisional Government, in the event of the arrangements with Canada being impeded, you guarantee a supplement of £2,000 sterling to the sum above mentioned.

4th. That there be granted by the Hudson Bay Company to the Military Department of the Provisional Government, provisions or merchandize to the value of £4,000 sterling at current prices.

5th. That the Hudson Bay Company put their bills in circulation again immediately.

6th. That the Hudson Bay Company part with a specified quantity of merchandize, to be reserved for the Provisional Government in case of an arrangement.

On accepting these conditions, the Company will see its stores opened under the protection of the Provisional Government. Fort Garry will be thrown open, and continue to be the seat of Government, under its feeble guard of fifty men.

These, Sir, are the things which the situation forces upon us. I shall not shrink from doing my duty; you have a sense of yours. I am confident your decision will be favourable.

Permit me here to offer you my sympathy, inspired by the bad state of your health, and my sincere wishes for your prompt recovery.

I have the honour, &c.,

(Signed) LOUIS RIEL,
President.

To WM. McTAVISH, Esq.,
Governor of the Hudson Bay Company in the North-West.

In the name of the Hudson's Bay Company in this country, I accept and agree to fulfil all the above conditions and propositions. Witness my hand this fifth day of April, one thousand eight hundred and seventy, at Red River Settlement.

(Signed) WM. McTAVISH.

Signed in our presence the day and year above written.

(Signed) THOS. BROWN,
Secretary of State.
" W. B. O'DONOGHUE,
Secretary.

(Translation.)

GOVERNMENT HOUSE, 5th April, 1870.

SIR,—I have the honor to inform you that you shall have the whole of the house called the office, but that we shall take the yellow sheds, the first to the right of your dwelling.

I have also the honor to tell you that we shall require the sum of £2,000 to £2,500 in provisions. The remainder will be given in goods.

I have the honor, &c.,

(Signed) THOS. BROWN,
Secretary of State.

WM. McTAVISH, Esq.,
Governor of the Hudson's Bay Company
in the North-West.

Mr. Holland to Sir Curtis Lampson.

DOWNING STREET, 17th May, 1870.

SIR,—I am directed by Earl Granville to acknowledge the receipt of your letter of the 13th inst., enquiring whether Her Majesty's Government would give an engagement to the Company to indemnify them against any loss or damage in respect of certain stores which the Company contemplate sending to Rupert's Land.

Lord Granville desires me to state that before the goods arrive in Rupert's Land the responsibility for the peace of the country will probably have passed to the Canadian Government, to whom any proposal of this kind which the Company may think requisite had better be made by telegram without loss of time.

I am to add that the presence of Sir Stafford Northcote, at Ottawa, appears to afford peculiar facilities for this course of proceeding.

I am, &c.,

(Signed) H. T. HOLLAND.

SIR CURTIS LAMPSON, Bart.

Sir C. Lampson to Mr. Holland.

HUDSON'S BAY HOUSE,
LONDON, May 29th, 1870.

SIR,—I am favoured with your letter of the 17th instant, in answer to mine of the 13th, and very much regret that Lord Granville should not have seen the necessity of giving the Hudson's Bay Company the indemnity they asked for.

It is too late now to communicate with the Government of Canada on the subject. No satisfactory result could be arrived at by telegram, besides which Sir Stafford Northcote has now left Canada, and will sail from New York by the steamer of the 25th.

Under these circumstances, the Committee of this Company have come to the determination, at all events, of not running the risk of the Indian and other population of the Districts being left without the means of subsistence, and they will, therefore, despatch the stores as usual; but in adopting this step the Committee adhere to their opinion, that the Government ought to have undertaken the responsibility, and should any damage or loss occur by the proceeding of the Provisional Government, they will still look to Her Majesty's Government for indemnity should the Canadian Government decline to take it upon themselves.

I have, &c.,

(Signed) C. M. LAMPSON,
Deputy Governor.

H. T. HOLLAND, Esq.,
Colonial Office.

(Copy.)

The Under-Secretary of State, Colonial Office, to Sir Curtis Lampson.

DOWNING STREET, 26th May, 1870.

SIR,—With reference to that part of your letter of the 20th instant, respecting the despatch of stores to Fort Garry, in which it is stated that should any damage or loss occur by the proceedings of the Provisional Government, the Company would still look to Her Majesty's Government for indemnity should the Canadian Government decline to take it upon themselves, I am directed by Earl Granville to repeat that Her Majesty's Government do not accept that liability.

I am, &c.,

(Signed) F. ROGERS.

SIR CURTIS LAMPSON, Bart.

(Canada—No 297.)

The Secretary of State for the Colonies to the Governor General.

DOWNING STREET, 21st November, 1870.

MR LORD,—I have the honour to transmit to your Lordship the enclosed copy of a letter from the Hudson Bay Company together with a copy of the answer which I have caused to be returned to it respecting the claim of the Company to compensation for losses sustained in connection with the disturbances in the Red River Settlement.

I have, &c.,

(Signed) KIMBERLEY.

Governor-General

The Right Honorable

The LORD LISGAR,

K.C.B., G.C.M.G.

Sir Stafford Northcote to Sir F. Rogers.

HUDSON BAY HOUSE,

LONDON, 1st November, 1870.

SIR,—I am instructed by the Committee of the Hudson Bay Company to request that you will submit to the Earl of Kimberley that the time appears now to have arrived for the consideration of the Company's claim for compensation in respect of the losses sustained by them in the course of the disturbances at the Red River, now happily at an end.

The Committee do not think it necessary to trouble His Lordship with a recapitulation of the lengthened correspondence which led to the arrangements for the transfer of the Company's territorial rights to the Dominion Government, or of the circumstances under which the completion of those arrangements was arrested at the very moment when they were about to take effect. Neither do they now desire to enter on the question, how far the disturbances which led to the suspension of the transfer were due to the action of the Dominion Government or its representatives? Nor, on the further question, how far that suspension was, under the circumstances of the time, justifiable? It is sufficient for them to point out, as a matter of fact, that the Company have, in consequence of it, sustained very heavy pecuniary loss, and to submit to Lord Kimberley that they have a fair right to ask Her Majesty's Government to take the proper steps for getting that loss made up to them.

The losses which the Company have sustained are of various kinds. In the first place, they were kept out of the purchase money, which it had been stipulated that they should receive, for more than five months. The inconvenience occasioned by this delay was much greater than the mere loss of the interest of the money. The Government, having officially informed the Committee that the money would be paid on the 1st December, the Committee communicated that information to the shareholders at the annual meeting of the Company on the 9th of November, when arrangements were made on the faith of this announcement, which had afterwards to be disturbed, to the inconvenience of individual shareholders, and somewhat to the discredit of the Company.

Secondly, the Company were injured by the plunder of their stores and goods at Fort Garry. This loss was sustained by them in consequence of the absence of any proper authority in the settlement from the time when the government of the Company was virtually put an end to by Mr. McDougall's proclamations of the 1st and 2nd December, 1869. The persons actually in power calling themselves the Provisional Government drew largely upon the Company's stores, of which they

had taken forcible possession, and which they are said to have claimed as public property, besides seizing and putting to ransom a great quantity of valuable furs, admittedly the private property of the Company. The amount of ransom demanded and paid is stated at £5,000 in cash, and goods to the amount of £4,000.

The Committee have not yet learned whether the whole of the furs seized have been returned, or whether a further loss has been sustained, and they are not yet able to state the amount of the goods taken out of the storehouses. They expect shortly to receive information on these heads.

Lastly, there can be no doubt that the Company have sustained very heavy loss by the disorganization of their trade, and the interruption of business throughout the country in consequence of these disturbances. They found no claim on this loss, but think it right to refer to it as strengthening the equity of their case.

The Committee abstain from entering upon the question of the source from which the compensation they ask for should come. They think that is a question more properly left to Her Majesty's Government through whom these communications have from the first been carried on. They content themselves with submitting their case to Lord Kimberley, and with indicating the amount of the compensation to which they consider the Company to be entitled. They ask for interest at £5 per cent. on the purchase money (£300,000) from the 1st December, 1869) to the 11th May, 1870, the day on which the principal was paid.

They ask to be reimbursed the amount as ransom for their stock of furs, together with the value of any furs which may be proved to have been carried off. And with regard to the pillage of their stores, they ask that a Commission may be appointed to enquire into the amount of loss sustained, and to determine on equitable principle the amount of compensation which should be paid in respect of it.

They trust that Her Majesty's Government will assist them to obtain an early settlement of these claims.

have, &c.,

(Signed) STAFFORD H. NORTHCOTE,

Governor.

Sir FREDERICK ROGERS, Bart.,

&c., &c., &c.,

Colonial Office.

The Under-Secretary of State for the Colonies to Sir S. H. Northcote.

DOWNING STREET, 21st November, 1870.

SIR,—I am directed by the Earl of Kimberley to acknowledge the receipt of your letter of the 1st inst., bringing under consideration the claims of the Hudson's Bay Company to compensation for losses caused by the recent disturbances at the Red River Settlement.

As the Committee state that they abstain from entering upon the question of the source from which this compensation should come, and that they think this is a question more properly left to Her Majesty's Government, it is necessary briefly to recall your attention to the position occupied by Her Majesty's Government in relation to the transfer of the Company's Territories to Canada.

By the British North America Act, 1867, 30 Vic., Cap. 3, Sec. 146, Her Majesty was empowered by Order in Council to admit Rupert's Land into the Union on such terms and conditions as were expressed in addresses from the Canadian Parliament, and as Her Majesty should think fit to approve.

But though by this Act and the Rupert's Land Act, 1868, Her Majesty was empowered to complete the formal transfer of Rupert's Land to the Dominion. Her Majesty was advised that Her approval could be properly given to such terms and conditions only as were agreed upon between the two real parties to the negotiation, viz.: The

Canadian Parliament and the Hudson's Bay Company. Her Majesty's Government, therefore, confined their action to the suggestion of such terms as they thought might be acceptable to both parties. Lord Kimberley desires me to refer you to two letters addressed by the direction of Lord Granville to the Governor of the Hudson's Bay Company, on the 22nd February and 9th March, 1869, in which the position of Her Majesty's Government in respect to these negotiations is carefully defined. It was a source of great gratification to Her Majesty's Government when the terms of arrangement proposed by Lord Granville in the last of these two letters were, with some slight changes, adopted both by the Canadian Government and the Hudson's Bay Company. Her Majesty's Government were in no way responsible for the unfortunate disturbances in the Red River Settlement, which occasioned the delay of the actual surrender and transfer of the Company's territory, and they readily lent their aid towards the restoration of order in the disturbed district.

Lord Kimberley, therefore, desires me to say that he cannot admit any liability on the part of Her Majesty's Government to make good the losses of the Hudson's Bay Company. If the Company consider that they have claims against Canada they must represent their case to the Canadian Government, but Her Majesty's Government do not feel called upon to interfere in respect of such claims.

A copy of your letter and of this answer will be transmitted to the Governor General of Canada.

I am, &c.,

(Signed H. T. HOLLAND.)

The Right Honorable
Sir STAFFORD NORTHCOTE
&c., &c., &c.

The Secretary of State for the Colonies to the Governor General.

(Canada—No. 360)

DOWNING STREET, 23rd February, 1871.

MY LORD,—With reference to previous correspondence, I have the honor to transmit to your Lordship a copy of a letter from the Hudson Bay Company, urging their claim to compensation for the losses maintained by them in consequence of the late disturbances in the Red River Settlement.

I request that you will bring this letter under the notice of your Government, who I have no doubt, will give a fair consideration to any reasonable claim on the part of the Company to compensation for their losses. Those losses must fall not only on the shareholders at home, but also on the Company's servants in America, and apart from the question of Justice, the Canadian Government cannot fail to perceive the importance of preserving the good will of a body of men who are scattered over the whole of the Territory newly annexed to the Dominion, and who from their intimate knowledge of the country and connection with its inhabitants, must still retain a special influence over its affairs.

I have, &c.,

(Signed) KIMBERLEY.

Governor General
The Right Honorable
LORD LISGAR, G.C.B., &c., &c.

(Copy—No. 88.)

Lord Lisgar to the Earl of Kimberley.

GOVERNMENT HOUSE, OTTAWA, 20th April, 1871.

MY LORD,—I have the honor to forward, herewith, a copy of a Report of the Privy Council of the Dominion with reference to the claims of the Hudson Bay Company, to compensation for losses sustained in consequence of the recent disturbances in the Red River Settlement.

The Council state that "while far from admitting the justice of the claim for interest from 1st December, 1869, to the date of payment, they would undertake to "make good that claim;" provided that the Imperial Government will undertake to satisfy the claim for the other losses sustained by the Company.

I have, &c.,

(Signed) LISGAR.

The Right Honorable
The Earl of Kimberley, &c., &c.

Sir C. Lampson to Sir F. Rogers.

HUDSON BAY HOUSE,

LONDON, 22nd February, 1871.

SIR,—With reference to the correspondence which has passed on the subject of the claims of the Hudson Bay Company for compensation in respect of the losses sustained by them in the course of the recent disturbance at Red River Settlement, and the interview that the Governor and the Deputy Governor had the honor to have with the Earl of Kimberley, I have to state, for the information of His Lordship, that in the month of November last, the Committee brought the subject under the notice of the Canadian Government, who replied by a simple acknowledgment of the communication.

The sitting of the Dominion Parliament at the present moment appears to the Committee to afford an opportunity for the amicable settlement of all matters arising out of the disturbances to which I have referred, and as the Earl of Kimberley has not hitherto recognised the claim on the part of the Company against Her Majesty's Government, the Committee venture to request that His Lordship may be pleased to recommend to the favorable consideration of the Dominion Government the claims put forward by the Hudson Bay Company for reimbursement of their losses, the exact amount of which has not yet been ascertained.

In making this request, the Committee feel that the Company are entitled, under all the circumstances of the case, to fair and liberal compensation. They are strengthened in this opinion by the correspondence which was presented to Parliament in August last, and they take the liberty of referring to Earl Granville's despatches to the Governor General of Canada, dated 30th November, 1869, and 26th January, 1870, in which the following passages occur:—

"Throughout these negotiations (the negotiations for the surrender of the Company's rights), it has never been hinted that the Company is to be bound to hand over its territory in a state of tranquility; rather its inability to secure that tranquility, and the dangers resulting from that inability, to the neighboring colony, is taken for granted why its responsibility should be adopted by Canada."

And again: "These proceedings (the proceedings of Mr. McDougall and Colonel Dennis), do not render Her Majesty's Government less desirous of restoring tranquility under the authority of the Dominion. But they have certainly enhanced the

responsibility of the Canadian Government and added to the complications which I was afraid might arise from the delay in completing the surrender of Rupert's Land to the Dominion. * * *

"I am bound to state my opinion that, considering all that has passed, the claim of the Company to interest on the purchase money of their territory, from the first of last month (December), appears to be a reasonable one."

In conclusion, I am to express the hope of the Committee that Earl Kimberley will afford the Company the benefit of his influence in their endeavour to obtain not only the interest on the purchase money, but the amount exacted from them as ransom for their stock of furs that were seized by the Provisional Government during the rebellion, and compensation for the pillage of their stores.

I have, &c.,

(Signed)

C. M. LAMPSON,
Deputy Governor.

Sir FREDERIC ROGERS, Bart.,
&c. &c. &c.
Colonial Office.